

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 9, 2007

TO: Honorable Judith Zaffirini, Chair, Senate Committee on S/C on Higher Education

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB96 by Ellis (Relating to designated tuition.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB96, As Introduced: no impact through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Institutional Funds</i> 997
2008	\$0
2009	\$0
2010	\$0
2011	(\$1,417,779,529)
2012	(\$1,527,413,664)

Fiscal Analysis

The bill would repeal Section 54.0513, Education Code on September 1, 2010 unless the Legislature passes legislation to continue its existence. The repeal of Section 54.0513 would eliminate the statutory authority for designated tuition and therefore eliminate institutional authority to assess this tuition. This would include all designated tuition including amounts above and below \$46 per semester credit hour. The bill would also create a Legislative Oversight Committee to review tuition deregulation and make recommendations to the 81st Legislature for its continuation or repeal.

Methodology

If the bill passes and the legislature does not act to continue statutory authority for designated tuition, all designated tuition would be eliminated.

For fiscal years 2007-2009 there will be an increase of 7.7% per year in designated tuition. Assuming a 7.7% increase for each year 2010-2012, designated tuition would total \$1,417.8 million in 2011 and \$1,527.4 million in 2012, the first two years in which designated tuition would be eliminated. Therefore, the total loss of institutional funds for 2011 and 2012 would be \$2,945.2 million.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: JOB, MN, RT, JMI